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DATE: November 5, 2021

ALL PLAN LETTER 21-017

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: COMMUNITY SUPPORTS REQUIREMENTS

PURPOSE:

The purpose of this All Plan Letter (APL) is to provide guidance to Medi-Cal managed care health plans (MCPs) regarding the provision of Community Supports, previously referred to as In Lieu of Services (ILOS), and the development and operation of these services by MCPs implementing Community Supports (ILOS). For the purposes of this APL, MCPs include Cal MediConnect Medicare-Medicaid Plans.

BACKGROUND:

The Department of Health Care Services (DHCS) released its California Advancing and Innovating Medi-Cal (CalAIM) proposal on October 29, 2019, in anticipation of the expiration of its Medi-Cal 2020 1115 Demonstration and 1915(b) Specialty Mental Health Services Waiver authorities. DHCS postponed the planned implementation of the CalAIM initiative, which was originally scheduled for January 1, 2021, due to the COVID-19 public health emergency, and released a revised CalAIM proposal on January 8, 2021. DHCS also submitted its CalAIM Section 1115 Demonstration and 1915(b) Waiver applications to the Centers for Medicare and Medicaid Services on June 30, 2021.¹ DHCS obtained statutory authority to establish the CalAIM initiative to support the stated goals of identifying and managing the risks and needs of Medi-Cal beneficiaries, transitioning and transforming the Medi-Cal program to a more consistent and seamless system, and improving quality outcomes.²

CalAIM is a multi-year initiative to improve the quality of life and health outcomes of the Medi-Cal managed care population through the implementation of broad delivery system, program, and payment reform across the Medi-Cal program. Community Supports (ILOS) are a key component of the CalAIM initiative that will be delivered through MCPs.

¹ Information regarding CalAIM, including updates regarding the implementation of various components of CalAIM, can be found at:

<https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM.aspx>.

² Assembly Bill 133 (Committee on Budget, Chapter 143, Statutes of 2021) can be accessed at: https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=20210220AB133.

Community Supports (ILOS) are medically appropriate and cost-effective alternatives to services covered under the State Plan. Community Supports (ILOS) are optional services for MCPs to provide and are optional for managed care members. These services are typically integrated into MCPs' population health management strategies. Community Supports (ILOS) will build on the Whole Person Care (WPC) Pilots and Health Homes Program (HHP) efforts and activities and expand access to services that were previously available only through home and community based services initiatives.^{3,4} The WPC Pilots and HHP are scheduled to conclude on December 31, 2021.

MCPs may choose to offer Community Supports (ILOS) as cost-effective substitute for Medi-Cal covered services or settings including, but not limited to, emergency department visits, hospital or skilled nursing facility admission, or a discharge delay. To the extent a Member is receiving care or case management, Community Supports (ILOS) should be integrated with care or case management, including Enhanced Care Management (ECM) when appropriate, for Members. Use of Community Supports (ILOS) supports the goals of CalAIM by addressing the integrated medical and social determinants of health.

POLICY:

Effective January 1, 2022, all MCPs are encouraged to offer Community Supports (ILOS) to eligible Members. In particular, the following Community Supports (ILOS) have been pre-approved and authorized by DHCS in accordance with 42 Code of Federal Regulations (CFR) Section 438.3(e)(2), and may be offered and provided to eligible Members:

- Housing Transition Navigation Services;
- Housing Deposits;
- Housing Tenancy and Sustaining Services;
- Short-Term Post-Hospitalization Housing;
- Recuperative Care (Medical Respite);
- Respite Services;
- Day Habilitation Programs;
- Nursing Facility Transition/Diversion to Assisted Living Facilities;
- Community Transition Services/Nursing Facility Transition to a Home;
- Personal Care and Homemaker Services;
- Environmental Accessibility Adaptations (home modifications);

³ The WPC Pilots webpage can be accessed at the following link:

<https://www.dhcs.ca.gov/services/Pages/WholePersonCarePilots.aspx>.

⁴ The HHP webpage can be accessed at the following link:

<https://www.dhcs.ca.gov/services/Pages/HealthHomesProgram.aspx>.

- Medically Tailored Meals/Medically Supportive Food;
- Sobering Centers; and
- Asthma Remediation.

Subject to DHCS approval, MCPs may identify and propose additional Community Supports (ILOS) in order to provide medically appropriate, cost-effective services that are tailored to their Members' unique needs.

MCPs choosing to offer Community Supports (ILOS) must develop and submit an ILOS Model of Care, which is the MCP's framework for providing Community Supports (ILOS), including its policies and procedures for contracting with ILOS providers. The Model of Care must be completed and submitted in accordance with the Model of Care Template.⁵ MCPs must contract with Community Supports (ILOS) providers to provide ILOS. In instances where MCPs are unable to contract with providers to offer Community Supports (ILOS), MCPs may provide these services through their existing network(s) with DHCS approval. MCPs are required to incorporate standard terms and conditions provided by DHCS, in addition to their own terms and conditions, to develop their contracts with Community Supports (ILOS) providers.⁶

MCPs offering any Community Supports (ILOS) must meet all program and reporting requirements specified by DHCS, applicable state and federal laws and regulations, and MCP contract requirements including full appeal rights. MCPs are expected to follow other DHCS guidance pertaining to Community Supports (ILOS), including but not limited to, future APLs or other supplementary guidance.

In future years for MCPs that satisfy Community Supports requirements, the utilization and cost data related to the pre-approved and authorized Community Supports (ILOS) will be taken into account in developing the component of the capitation rates that represents the State Plan Covered Services that are replaced by the Community Supports (ILOS), unless a statute or regulation explicitly requires otherwise, in accordance with 42 CFR Section 438.3(e)(2)(iv) and consistent with federal Medicaid managed care rate setting requirements.

⁵ The finalized Model of Care Template document, released in June 2021 and subject to any subsequent updates, is available on the ECM and ILOS webpage, which can be accessed at the following link: <https://www.dhcs.ca.gov/Pages/ECMandILOS.aspx>.

⁶ The finalized ECM and Community Supports (ILOS) Provider Standard Terms and Conditions document, released in June 2021 and subject to any subsequent updates, is available on the ECM and Community Supports (ILOS) webpage, which can be accessed at the following link: <https://www.dhcs.ca.gov/Pages/ECMandILOS.aspx>.

MCPs must report all Community Supports (ILOS) encounters to DHCS, using the defined set of Community Supports (ILOS) Healthcare Common Procedure Coding System codes and modifiers.⁷

The Community Supports (ILOS) Policy Guide outlines Community Supports (ILOS) policies, including Member eligibility criteria, and contains DHCS' operational requirements and guidelines on Community Supports (ILOS). The Community Supports (ILOS) Policy Guide is posted on the DHCS ECM and Community Supports (ILOS) webpage.⁸ DHCS may update the Community Supports (ILOS) Policy Guide to reflect the latest Community Supports (ILOS) requirements and guidelines. DHCS will notify MCPs when the Community Supports (ILOS) Policy Guide is updated.

Additionally, DHCS will issue supplemental information regarding Community Supports (ILOS) on a rolling basis through a frequently asked questions (FAQs) document. MCPs are encouraged to regularly check the ECM and Community Supports (ILOS) webpage for updates to the Community Supports (ILOS) FAQs document and other resources.⁹

MCPs are responsible for ensuring that all Community Supports (ILOS) providers, subcontractors, and network providers comply with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including APLs and Policy Letters. These, and all other Community Supports (ILOS) requirements, must be communicated by each MCP to all Community Supports (ILOS) providers, subcontractors, and network providers.

⁷ The finalized ECM and Community Supports (ILOS) Coding document, released in June 2021 and subject to any subsequent updates, is available on the ECM and Community Supports (ILOS) webpage, which can be accessed at the following link:

<https://www.dhcs.ca.gov/Pages/ECMandILOS.aspx>.

⁸ The Community Supports (ILOS) Policy Guide is available on the ECM and Community Supports (ILOS) webpage that can be accessed at the following link:

<https://www.dhcs.ca.gov/Pages/ECMandILOS.aspx>.

⁹ ECM and Community Supports (ILOS) FAQs and additional program information are available on the ECM and Community Supports (ILOS) webpage that can be accessed at the following link: <https://www.dhcs.ca.gov/Pages/ECMandILOS.aspx>.

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If you have any questions regarding this APL, please contact your Managed Care Operations Division Contract Manager and the DHCS CalAIM mailbox at CalAIM@dhcs.ca.gov.

Sincerely,

Original Signed by Dana Durham

Dana Durham, Chief
Managed Care Quality and Monitoring Division